



TRAVIS COUNTY Fiscal Year 2014 Preliminary Budget

August 6, 2013

Introduction

- The Preliminary Budget serves as the foundation for budget deliberations by Travis County Commissioners Court.
 - Helps identify key funding issues before mark-up and adoption
 - Analyzes requests for new funding in preparation for Court discussions with departments and offices
 - Provides the public with information about the County's budget
- The Preliminary Budget is based on policy direction provided in February 2013.
- Executive Summary and Line Item Budget
 - Copies available at:
 - County Clerk's Offices
 - Planning and Budget Office at 700 Lavaca, Suite 1560
 - Online at: www.co.travis.tx.us/planning_budget

Presentation Outline

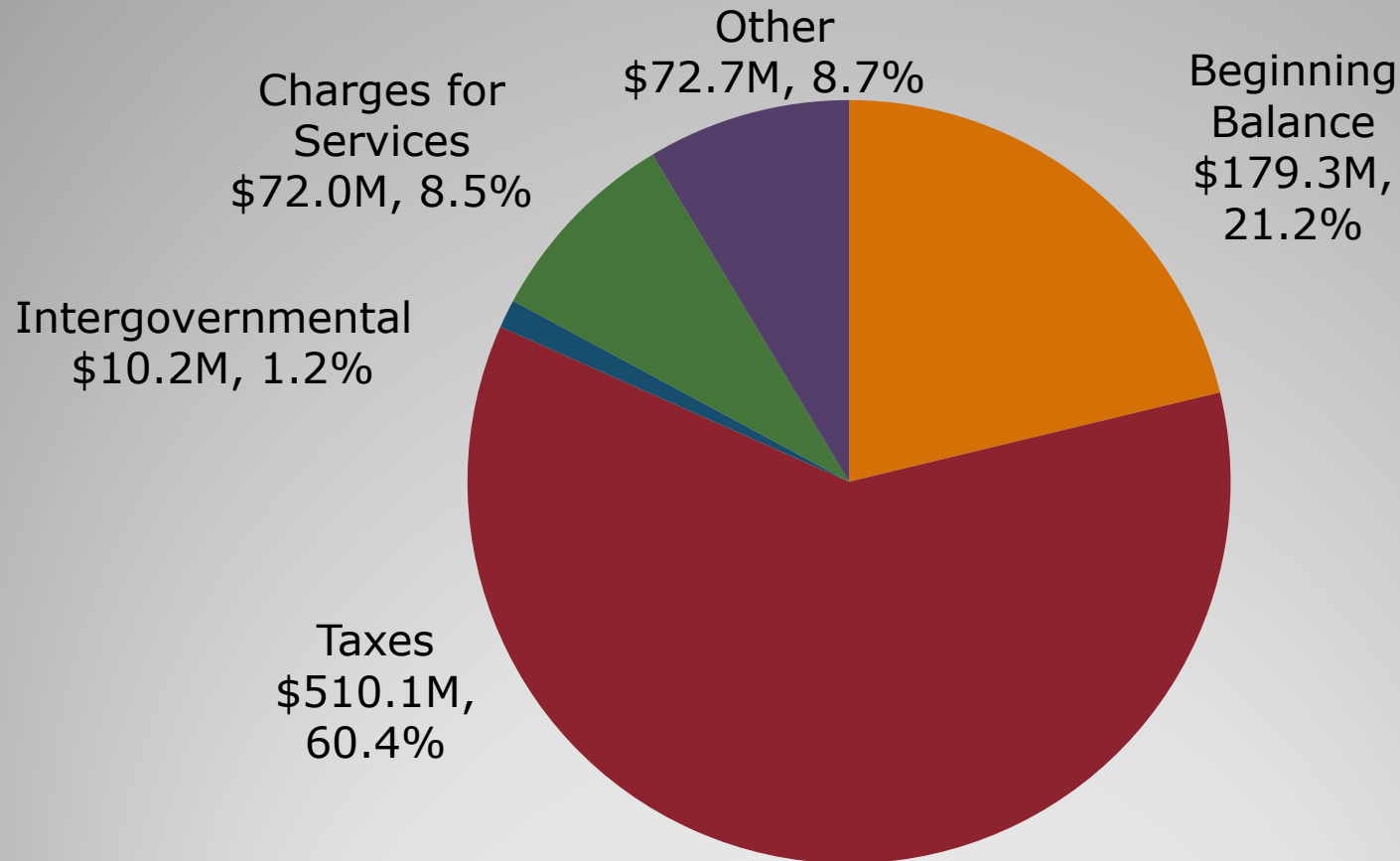
- 2014 Budget Highlights
 - Focus on the General Fund
- Funding Sources
 - Certified tax roll update
- Proposed Spending Plan
 - Operating Expenditures
 - Capital Outlay and Capital Improvements
 - Pay-as-you-go and debt financing
 - Reserves
 - Designated for special purposes or projects
 - General reserves to help ensure for financial stability
- Budget Calendar and Next Steps

2014 Preliminary Budget Highlights

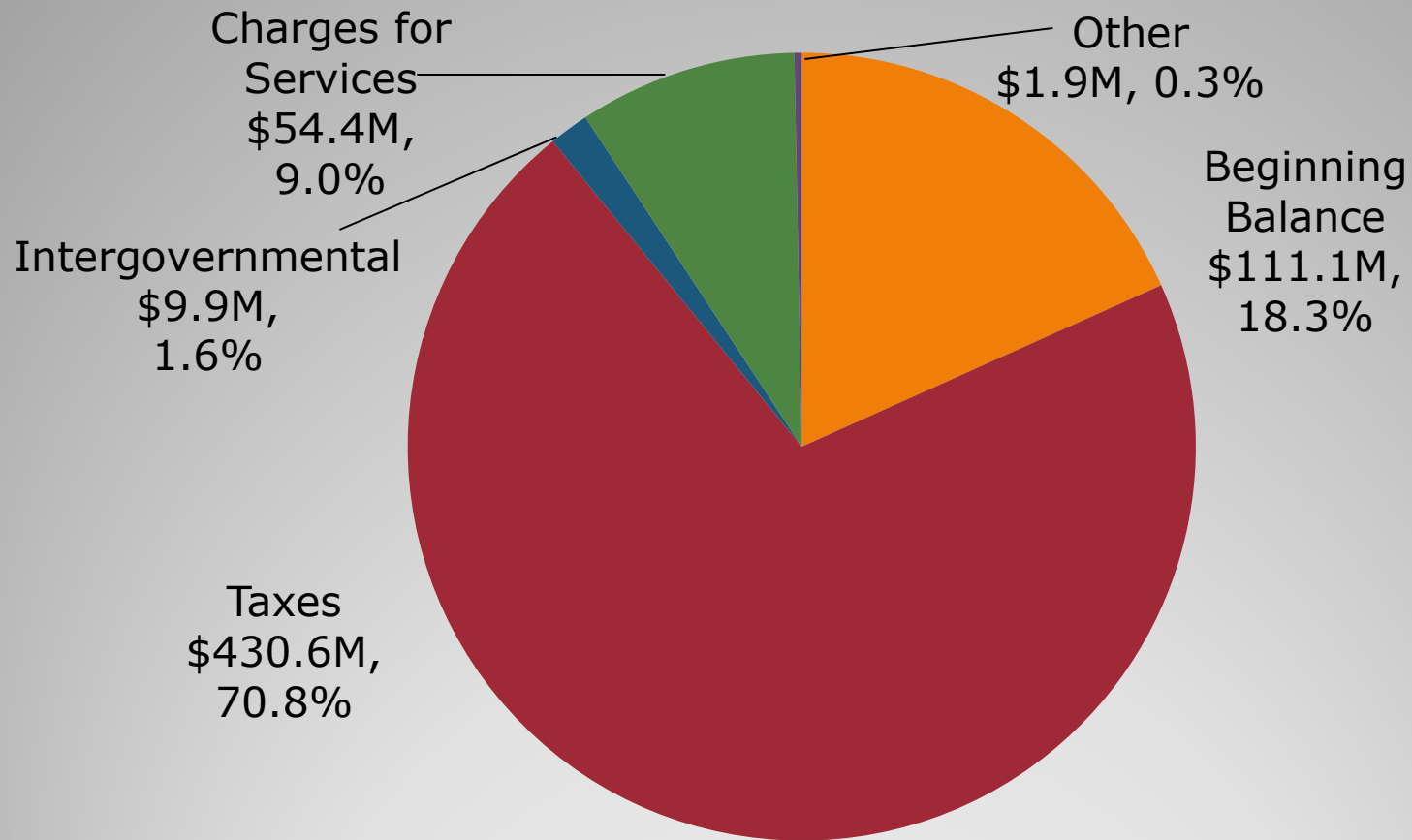
- Property Tax Rate estimated at 49.46 cents
 - Assessed per \$100 of taxable value
 - Slightly below the current tax rate of 50.01 cents
 - 3% above the 2014 effective tax rate of 48.02 cents
- Estimated annual impact on Median Homestead
 - \$819 per year, or \$20 more than 2013 tax bill of \$799
- Travis County continues to offer 20% Homestead Exemption.
 - Other exemptions offered to qualifying property owner include \$70,000 for persons over 65 or disabled.
- Tax Rate to be updated based on Certified Tax Roll recently received from Travis Central Appraisal District
 - Prior to beginning budget mark-up process

2014 Preliminary Budget Highlights

- Preliminary Operating Plan includes funding for:
 - Resources specific to County departments and offices to address growing workloads and demand for services
 - Contractual obligations and mandated services
 - Roads and parks maintenance, social services, security enhancements, and replacement of Integrated Justice system
 - Investments in the Workforce
 - 3% wage adjustment for classified employees and retiree COLA
 - Increased healthcare costs shared between County and employees
- Planned Capital Spending maintains assets in good working condition, addresses growth.
- Maintenance of Healthy Reserve Levels



2014 Summary of All County Funds – \$844.3 Million



**2014 General Fund Resources –
\$607.9 Million**

Property Taxes

	2013	2014 Preliminary Budget			
	Approved Tax Rate	Effective Tax Rate	Proposed Tax Rate	Increase above Effective	Increase above Effective
Operations	42.17¢	40.46¢	41.90¢	1.44¢	3.6%
Debt Service	7.84¢	7.56¢	7.56¢	0.00¢	0.0%
Total	50.01¢	48.02¢	49.46¢	1.44¢	3.0%

- Proposed Tax Rate in Preliminary Budget calculated based on TCAD estimates prior to tax roll certification
 - 3% above effective tax rate consistent with Commissioners Court direction in February 2013
- Certification of property values was completed by TCAD in late July.
 - Certified property values will be reflected in next revenue estimate, tax advertisements, and will be available prior to beginning the budget mark-up process.

5-Year Property Tax Base History

YEAR	TOTAL TAXABLE VALUE	NEW CONSTRUCTION	APPRRECIATION	CHANGE IN VALUE
2010	\$98.4B	\$2.9B	\$0.4B	\$3.3B
2011	\$94.4B	\$1.9B	-\$5.8B	-\$3.9B
2012	\$97.1B	\$2.3B	\$0.4B	\$2.7B
2013	\$101.3B	\$3.5B	\$0.7B	\$4.2B
2014	\$107.1B Preliminary	\$2.0B	\$3.7B	\$5.7B
2014	\$107.1B Certified	\$2.3B	\$3.4B	\$5.7B

General Fund Operating Budget (in millions of dollars)

	2013	2014
General Government	\$89.4	\$94.0
Justice System	121.4	122.8
Corrections and Rehabilitation	108.4	103.6
Health and Human Services	66.5	75.4
Public Safety	51.0	50.9
Infrastructure and Environment	12.5	14.2
Community and Economic Development	9.1	9.6
Capital Expenditures (cash financing)	32.5	12.6
Reserves	83.2	110.1
Transfers to Other Funds	14.1	14.7
Total	\$588.1	\$607.9

General Fund Operating Budget

Major Program Elements

- Maintaining Current Services and Programs, \$4.1 million
 - Information technology critical systems support
 - County-wide fuel funding
 - Jail inmate services
 - Fees for court-appointed attorneys for indigent defendants
 - Emergency aircraft maintenance
- Replacement of Integrated Justice System, \$6.0 million
- Cooperative Public Safety/Service Agreements, \$3.8 million
- Social Services, including 1115 Waiver Program, \$3.5 million
- Road and Bridge Maintenance, \$2.9 million
- Elections and Voter Registration, \$1.7 million
- Enhanced Security Services, \$1.7 million

Summary of Personnel Changes

	Net Change
Full-Time Equivalents (FTEs) – All Funds	4,925.20
Adopted 2013 Budget	
Changes Approved in Mid-Year 2013	14.50
Proposed New Positions	23.45
Other Changes	-3.03
Subtotal - General Fund Changes	34.92
Changes in Other Funds	-1.01
Preliminary 2014 Budget – Total FTEs	4,959.11

- New employees are recommended primarily to respond to increasing workload and demand for County services in a growing community.
- 11 FTEs are associated with the TechShare project currently underway to replace the County's integrated justice system.

Investments in the Workforce

- Compensation
 - Approximately 25 % of classified employees have not had an increase in pay since October 2010.
 - Preliminary Budget includes \$5.6 million for 3% wage adjustments for classified employees.
 - Similar funding is included for elected officials
 - Commissioners Court scheduled to hear public feedback and consider salary levels on August 6th
- Employee and Retiree Healthcare
 - \$3.4 million estimated increase in County costs
 - Employees and retirees bearing a portion of increased costs
 - Monthly premiums for active employees are expected to increase by 4%.
 - Minor plan design changes will help limit premium increases to the County, employees and retirees.
 - Plan design changes will cause more out-of-pocket costs to be borne by workforce.
- Texas County and District Retirement System
 - Additional \$1.3 million needed to maintain required funding
 - Potential COLA for retirees included at cost of \$943,000
 - Last COLA for retirees was effective October 2010.

Reserves (in Millions of Dollars)

Focus/Purpose: Financial and Budget Stability

Unallocated Reserve	\$66.8
Allocated Reserve	7.4
Emergencies and Contingencies	5.0
Capital Acquisition Resources Reserve	2.4
Sheriff's Office Overtime Contingency	1.0
Other	0.5
Subtotal	\$83.1

Focus/Purpose: Set Aside for Programs/Projects

Civil and Family Justice Center	\$5.4
Replacement of Integrated Justice System	5.2
Social Services, including 1115 Waiver Program	3.5
Other special purpose reserves	6.0
Subtotal	\$20.1

Total	\$103.2
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Capital Budget Recommendations (in Millions of Dollars)

Long-Term Bonds (authorized in 2011)	\$40.9
Pay-as-you-go Funding (General Fund)	12.6
Certificates of Obligation	19.6
State Highway Bonds	4.9
Other Funds	0.1
Total Capital Budget	\$78.1

Capital Project Highlights – Certificates of Obligation

- \$ 6.5 M – Vehicles and Heavy Equipment
- \$ 5.2 M – New Building Design (416 W 11th)
- \$ 4.1 M – Road Improvements (HMAC)
- \$ 1.8 M – Executive Office Building Renovation
- \$ 1.2 M – Jail Equipment and Improvements
- \$ 0.8 M – Other Renovations & Issuance

- \$19.6 M – Total Projects

Capital Project Highlights – General Fund

\$ 4.0 M – Information Technology

\$ 2.2 M – Facilities Management Projects

\$ 2.0 M – Public Safety/Corrections Projects

\$ 2.5 M – Roads and Parks Improvements

\$ 1.9 M – Other Projects

\$12.6 M – Total Projects

Concluding Remarks

- 2014 Preliminary Budget is a structurally balanced financial plan
- Addresses some of the pressing service needs of residents
- Invests in the County's workforce
- Helps position the County financially for uncertainties and challenges that might unfold in the future

Calendar and Next Steps

- Budget hearings:
 - August 7th – August 12th
- Commissioners Court to receive revised Budget Agenda Worksheet:
 - Tuesday, August 20th
- Court to complete Budget Agenda Worksheet:
 - Wednesday, August 28th
- Budget mark-up process:
 - September 4th – September 6th

Calendar and Next Steps

- Tax rate:
 - Must be finalized by noon September 5th
- Two public hearings on tax rate:
 - September 17th (Tuesday)
 - September 20th (Friday)
- Proposed Budget:
 - Filed on September 20th
- Budget Adoption:
 - September 24th (Tuesday)

Questions / Discussion